United Nations A/C.5/55/SR.58

General Assembly
Fifty-fifth session

Official Records

Distr.: General
29 May 2001

Original: English

Fifth Committee

Summary record of the 58th meeting
Held at Headquarters, New York, on Monday, 7 May 2001, at 3 p.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Organization of work

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission

Agenda item 132: Financing of the United Nations Mission in Sierra Leone

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan

Agenda item 137: Financing of the United Nations Preventive Deployment Force

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

01-36213 (E)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force

(b) United Nations Interim Force in Lebanon

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus

Agenda item 144: Financing of the United Nations Observer Mission in Georgia

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

Agenda item 152: Financing of the United Nations Mission in the Central African Republic

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*)

The meeting was called to order at 3.10 p.m.

Organization of work (A/C.5/55/L.59 and L.60)

1. **The Chairman** drew attention to the note by the Secretariat on the status of preparedness of documentation for the Fifth Committee during the second part of the resumed fifty-fifth session of the General Assembly (A/C.5/55/L.59) and to the note by the Bureau on the proposed programme of work for the period in question (A/C.5/55/L.60).

2. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that the programme of work should allow sufficient time for the consideration of priority items such as those related to the budgetary and administrative aspects of the financing of peacekeeping operations, including the support account and reimbursement to troop-contributing States.

3. The late issuance of documentation was a matter of continuing concern to the Group of 77 and China and a serious impediment to the smooth functioning of the work of the regional groups and of all Committees, including the Fifth Committee. The Secretariat must comply with the six-week rule for the submission of documents and strictly abide by the relevant provisions of General Assembly resolution 54/248 and the rules of procedure of the General Assembly. It should also observe the rules and regulations governing the issuance of draft resolutions and decisions in all official languages prior to their adoption.

4. The Secretariat should provide an explanation for its failure to issue in all the official languages the annex to the report of the post-Phase V Working Group (A/C.5/55/39). Until that situation was corrected, the report could not be considered as having been submitted in full. The Secretariat should also explain the reasons for the delay in the transmittal of the report of the Joint Inspection Unit (JIU) on the delegation of authority for management of human and financial resources in the United Nations Secretariat (A/55/857) and for the late submission of the Secretary-General's comments on the report (A/55/857/Add.1).

5. The late submission of summary records was another chronic problem. It was difficult to understand why the summary records of the meetings of the Fifth Committee held during the main part of the fifty-fifth session of the General Assembly were still not available four months later.

6. **The Chairman** said that he took it that the Committee wished to approve the programme of work for the first week of the current part of the resumed session and to take note of the proposed programme of work for the remainder of the session.

7. *It was so decided.*

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/55/5 (Vol. II), A/55/380/Add.2 and A/55/878)

8. **Mr. Bhana** (Director of External Audit of the Republic of South Africa) introduced the report of the Board of Auditors and the financial report and audited financial statements for the period from 1 July 1999 to 30 June 2000 on behalf of the Chairman of the United Nations Board of Auditors (A/55/5 (Vol. II)). He said that, while the Board had not qualified its opinion on the fair presentation of the financial statements, it had noted in its audit opinion that claims totalling approximately $39.9 million from troop-contributing States and disclosed in the notes to the financial statements as contingent liabilities had not been accrued for in the accounts of the United Nations peacekeeping operations, mainly because funds had not been reserved to settle the claims. The Board was pleased with the efforts made by the Administration in the 1999/2000 financial year to reduce the non-accrual of certified claims by approximately 73 per cent from $149 million during the prior financial period.

9. While the Board concurred with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the procedure followed by the Administration was broadly in conformity with the Financial Regulations and Rules of the United Nations, it remained concerned that the omission of valid claims from the accounts of the United Nations peacekeeping operations was not in accordance with United Nations accounting standards, which had adopted the accrual basis of accounting for expenditure. The Board therefore recommended that the Administration should account for all valid expenditure incurred during the financial period on the accrual basis and encouraged improvement in processes to ensure accurate financial reporting.

10. The Board in its audit opinion also referred to its inability to obtain assurance on the reasonableness of the value of non-expendable equipment amounting to some $457 million as a result of deficiencies that had been identified during the audit relating to the control and recording of non-expendable equipment. Accordingly, the Board had recommended that the Administration should implement measures to ensure the proper custody, control and recording of non-expendable equipment.

11. The Board also found that obligations amounting to approximately $2.1 million were not supported by valid obligating documents and that obligations amounting to some $7.2 million had been incorrectly raised against the 1999/2000 budget. Two missions had raised miscellaneous obligating documents amounting to approximately $6.4 million for transportation services and purchase of goods and services in contravention of the United Nations Finance Manual. Vendor-performance evaluations had not been performed for a sample of closed procurement files representing purchases of some $16 million. As at 30 June 2000, the Administration had not disclosed as accounts receivable an amount of approximately $7.5 million arising from the sale of the assets of a mission in liquidation and owing to the United Nations. Lastly, as at 8 November 2000, approximately 20 per cent, representing 1,029 of the total number of authorized posts, had been vacant, thus making it difficult for missions to meet their operational objectives.

12. To address those findings, the Board recommended that the Administration should ensure that the Financial Regulations and Rules of the United Nations relating to obligations were observed and that obligations were raised against the appropriate budgets. Supplier evaluations should be completed on a timely basis prior to the closure of procurement files. The full sale of all assets should be recorded in compliance with United Nations accounting standards and, lastly, urgent measures should be taken to expedite the filling of vacant posts in peacekeeping missions.

13. The Board had also reported on findings and made recommendations concerning the process of contingent-owned equipment and liquidation of missions at Headquarters, electronic data-processing environments and issues concerning environmental management. In addition, it had reviewed the status of implementation of its recommendations for the financial periods ending 30 June 1998 and 30 June 1999 and had confirmed that there were no significant outstanding matters in respect of its report for the financial period ending 30 June 1998.

14. With regard to the Advisory Committee's requests that the Board should undertake a comprehensive assessment of all aspects of the implementation of contingent-owned equipment arrangements, giving specific consideration to the process of inspection and reporting on contingent-owned equipment and self-sustainment, and also that it should inquire into the adequacy and effectiveness of resident auditors in field missions, the Board had already planned to follow up on those matters later in the year.

15. **Ms. Schmidt** (Chief, Office of the Under-Secretary-General for Management), introducing the first report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ending 30 June 2000 (A/55/380/Add.2), said that the Administration attached great importance to the implementation of the Board's recommendations and senior management would continue to keep the process under review.

16. **Mr. Abdalla** (Libyan Arab Jamahiriya) sought clarification as to whether the amount of $39.9 million in claims from troop-contributing States had been reported on the basis of accrued expenditures and an explanation of how the initial amount of $149 million had been reduced by approximately 73 per cent.

17. **Mr. Bhana** (Director of External Audit of the Republic of South Africa), replying to the question posed by the representative of the Libyan Arab Jamahiriya, said that, in its report for the period ending 30 June 1999, the Board had noted that an amount of approximately $149 million had not been accrued. The practice of the United Nations was to obligate amounts only after funds had been reserved for the purpose in question. In the case of troop-contributing States, the amounts should be accrued once they had been certified.

18. **Mr. Abdalla** (Libyan Arab Jamahiriya) asked why no qualification had been entered in that case and how the accruals were justified. It would be helpful to know, for example, whether actual services had been rendered or goods delivered. He was unclear as to whether generally accepted accounting principles had been followed in the case in question.

19. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) explained that there was a difference of opinion between the Board and the Administration on the treatment in the accounts of the amount of $39.9 million relating mainly to claims for contingent-owned equipment, based on the old method of reimbursement, which had been in place before 1 July 1996. While the Administration treated such claims as a contingent liability pending future decisions by the General Assembly, the Board was of the view that the claims represented a present obligation as it related to benefits already received in the current period by the United Nations as verified by the Department of Peacekeeping Operations.

20. The Advisory Committee had had an extensive exchange of views with members of the Audit Operations Committee and with representatives of the Secretary-General on the issue. It understood from those discussions that, pending the submission of the final performance reports for two closed missions, namely, the United Nations Operation in Somalia (UNOSOM) and the United Nations Assistance Mission for Rwanda (UNAMIR), it was not possible to obligate funds and reflect them in the financial statements. The amounts certified by the Secretary-General were therefore shown as liabilities. The Advisory Committee recalled that the Administration had followed the same practice in the past and, under the circumstances, had concluded that the procedure followed by the Administration was broadly in conformity with the Financial Regulations and Rules of the United Nations. The subject was a technical one and he proposed that the Secretariat should provide a written technical explanation of the procedure that had been followed.

21. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) said that the standard used by the United Nations was based on an accrual concept. Appropriations had not been available to record obligations on the books and funds not yet approved by the Assembly could not be reflected. The Administration had followed a procedure whereby an appropriation had been requested from the General Assembly based on the recommendation of the Fifth Committee.

22. **Mr. Abdalla** (Libyan Arab Jamahiriya) agreed that, unless an amount had been appropriated by the Assembly, it could not be obligated. The problem arose, however, because an obligation had been created in the first place. He wanted to know the basis on which the obligation had been created. If, for the sake of argument, the General Assembly did not approve of the appropriation, the question of how to pay for the obligation would then arise.

23. **Mr. Yeo** (Director of the Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts) said that the issue was not new. Some final performance reports had been submitted the previous year, however, thus allowing the Assembly to regularize the obligations and reduce the number of claims pending. The Assembly could not take financial action before the relevant performance reports were submitted. The amount of $39.9 million therefore remained in the accounts pending the submission of the outstanding final performance reports for UNOSOM and UNAMIR. As far as he was aware, the Department of Peacekeeping Operations was still negotiating with certain troop contributors with respect to a number of claims.

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola (A/55/844 and Corr. 1 and A/55/879)

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/55/810, A/55/811 and A/55/874 and Add.2)

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (A/55/735, A/55/853, A/55/869 and A/55/874)

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (A/55/697, A/55/724, A/55/833 and A/55/874 and Add.6)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (A/55/764, A/55/794 and A/55/874 and Add.7)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (A/55/816 and Corr.1 and A/55/880)

Agenda item 137: Financing of the United Nations Preventive Deployment Force (A/55/390 and A/55/870)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East

(a) **United Nations Disengagement Observer Force** (A/55/747, A/55/778, A/55/874 and Add.1)

(b) **United Nations Interim Force in Lebanon** (A/55/757, A/55/874 and A/55/885)

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (A/55/840 and A/55/886)

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus (A/55/739, A/55/788 and A/55/874 and Add.3)

Agenda item 144: Financing of the United Nations Observer Mission in Georgia (A/55/682, A/55/768 and A/55/874 and Add.4)

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina (A/55/683, A/55/752 and A/55/874 and Add.5)

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (A/55/667, A/55/753 and A/55/881)

Agenda item 152: Financing of the United Nations Mission in the Central African Republic (A/55/849 and A/55/884)

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea (A/55/874)

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) **Financing of the United Nations peacekeeping operations** (A/55/697, A/55/714, A/55/735, A/55/812, A/55/828, A/55/830, A/55/845, A/55/861, A/55/862, A/55/874 and Add.8, A/55/882, A/55/883 and A/C.5/55/40 and Corr.1)

24. **Mr. Halbwachs** (Controller), introducing the reports of the Secretary-General on financing of peacekeeping operations, pointed out that the Fifth Committee had before it the following 37 reports of the Secretary-General: performance reports for 15 peacekeeping missions for the period 1 July 1999 to 30 June 2000 (United Nations Observer Mission in Angola (MONUA), United Nations Iraq-Kuwait Observation Mission (UNIKOM), United Nations Mission in Sierra Leone (UNAMSIL), United Nations Interim Administration Mission in Kosovo (UNMIK), United Nations Transitional Administration in East Timor (UNTAET), United Nations Mission for the Referendum in Western Sahara (MINURSO), United Nations Mission of Observers in Tajikistan (UNMOT), United Nations Disengagement Observer Force (UNDOF), United Nations Interim Force in Lebanon (UNIFIL), United Nations Peacekeeping Force in Cyprus (UNFICYP), United Nations Observer Mission in Georgia (UNOMIG), United Nations Mission in Bosnia and Herzegovina (UNMIBH), United Nations Civilian Police Mission in Haiti (MIPONUH), United Nations Mission in the Central African Republic (MINURCA) and United Nations Observer Mission in the Democratic Republic of the Congo (MONUC)); a report updating the financial situation of the United Nations Peace Forces (UNPF), as requested by the General Assembly in resolution 54/269; a first-time proposed budget for MONUC for the period 1 July 2000 to 30 June 2001; budget estimates for seven peacekeeping missions for the period 1 July 2001 to 30 June 2002 (UNIKOM, UNMIK, MINURSO, UNDOF, UNFICYP, UNOMIG and UNMIBH); two reports on final disposition of assets (United Nations Preventive Deployment Force (UNPREDEP) and MIPONUH); and 11 reports dealing with administrative and budgetary aspects of the financing of peacekeeping operations (performance reports and proposed maintenance budgets for both the support account and the United Nations Logistics Base (UNLB) in Brindisi, report of the Secretary-General on implementation of the recommendations of the Board of Auditors, report on the experiences learned from the use of resident auditors at peacekeeping missions, report of the Secretary-General containing his comments on the

report of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment, report on progress made in clearing the backlog of claims for incidents of death and disability, report on the implementation of the field assets control system, report on measures taken to improve procurement activities in the field, and report on the participation of United Nations Volunteers in peacekeeping operations).

25. It had not been possible to finalize and submit realistic and detailed proposed budgets for the period 1 July 2001 to 30 June 2002 for five missions, namely UNAMSIL, UNTAET, UNIFIL, MONUC and the United Nations Mission in Ethiopia and Eritrea (UNMEE). In the meantime, alternative bridging financing was being requested for those missions.

26. Turning to the question of peacekeeping levels, he said that for the current period, 1 July 2000 to 30 June 2001, the General Assembly had approved $2.5 billion for all peacekeeping operations. At the current session, the Fifth Committee would be considering the first budget for MONUC, which amounted to approximately $140 million. If that budget was approved, the total level for peacekeeping operations for the year 2000/2001 would be $2.7 billion. He could not provide an indication of total budget requirements for the period July 2001 to June 2002, since five peacekeeping mission budgets were still pending. However, it could be assumed that, unless the mandates and/or concepts of operation of certain ongoing missions were curtailed or terminated, the overall budgetary level would be no less than the level of $2.7 billion for the current period. In addition, if one were to take into account the pending proposal in respect of recent increase in requirements for UNAMSIL, the full cost of MONUC, the support-account requirements potentially arising from further implementation of the report of the Panel on Peace Operations and for UNLB Brindisi, the overall level of peacekeeping requirements for the year 2001/2002 would more likely be between $3 billion and $3.4 billion.

27. Turning to the performance reports for the period 1 July 1999 to 30 June 2000, he said that expenditures against the total appropriations and commitment authorities of $1.7 billion for the various operations, had amounted to $1.5 billion, leaving an unencumbered balance of $176 million, or 13 per cent of the approved amount, which was available to be credited to Member States. The performance reports for the preceding period showed a balance of 7.7 per cent. Thus, there had been some slippage in the use of resources; however, in 1999/2000, peacekeeping requirements had more than doubled. A review of the 16 missions operating during that period showed that two thirds of them had utilized between 95 and 100 per cent of approved resources; two of them (UNMIK and UNTAET) had utilized 85 and 83 per cent respectively, so that the unencumbered balances stood at 15 and 17 per cent. It should be borne in mind that 1999/2000 had been the first full year of operation for UNMIK and UNTAET, and the under-expenditures in those missions could be attributed to the fact that deployment had proceeded more slowly than planned.

28. With regard to the budget estimates for the period 1 July 2001 to 30 June 2002, he noted that there would be 12 active peacekeeping missions. The Committee had before it the full budgets for UNIKOM, UNMIK, MINURSO, UNDOF, UNFICYP, UNOMIG and UNMIBH, which totalled $799.3 million. The budget for the same missions for the current period amounted to $801 million, so there was not much difference between the two periods. The budget for UNIKOM (A/55/811), of $54.2 million, represented an increase of $4.4 million, or 8.9 per cent, over the previous period. The increase was attributable to higher requirements for salaries of local staff and related common staff costs. It also reflected the outcome of further review of the mission's staffing establishment, which had resulted in proposals to downgrade two posts from P-5 to P-4 and internal redeployment of two Professional-level posts. Pursuant to the request of the General Assembly in resolution 54/18 B, the Secretary-General was proposing the conversion of nine General Service posts to eight local-level posts and one Field Service post, as well as the abolition of one General Service post. It should be noted that two thirds of the financing for UNIKOM was provided by the Government of Kuwait.

29. With regard to UNMIK (A/55/833), a budget of $448.8 million was proposed, which represented a reduction of $1.2 million, or 0.2 per cent. The Secretary-General was proposing a reduction of 20 General Service posts in Civil Administration and 58 local-level posts in the Security Section, taking into account the recommendations of the Advisory Committee. The General Assembly had requested a review of high-level posts, with a view to proposing

some reductions; however, it had not been possible to implement any reductions (A/55/833, paras. 40-47).

30. As stated in the report on MINURSO (A/55/794), the Secretary-General was proposing a five per cent increase from the current level of $46.6 million to $48.8 million. The increase was needed mainly to cover operational costs, in particular, the higher projected cost of air operations, replacement of vehicles and equipment, and staff-training programmes. For UNDOF (A/55/778), a slight reduction of $400,000 was proposed, bringing the budget down from $34.9 million to $34.5 million. The budget included a request for two new local-level posts. Pursuant to General Assembly resolution 53/226, the Secretary-General was proposing to credit back to Member States an amount of $4 million, which was the balance held in the support account. As requested by the General Assembly in resolution 54/266, the report also included information on further measures to improve the working conditions of the local staff (A/55/778, paras. 30-33).

31. The budget proposal for UNFICYP (A/55/788) provided for a small reduction of $20,000. The report projected a net decrease of 39 local-level posts, mostly resulting from the outsourcing of janitorial and catering services. The reduction was offset by the proposed establishment of two new local-level posts for Support Services and Procurement. He pointed out that the Government of Cyprus voluntarily financed one third of the cost of the operation, and the Government of Greece provided an annual voluntary contribution of $6.5 million. The budget proposal for UNOMIG (A/55/768) provided for a reduction of $1.4 million, which was made possible largely as a result of technical costing adjustments based on recent experience. The reduction was partially offset by the addition of 38 new posts (A/55/768, paras. 20-40).

32. The budget proposal for UNMIBH (A/55/752) provided for a reduction of $6.4 million, or 4.3 per cent, largely due to a reduction in the authorized civilian police strength of the mission. At the same time, the budget proposal provided for a net increase of 65 new posts, as a result of the abolition of 20 posts in the Judicial System Assessment Programme, whose mandate had expired in December 2000, and the conversion of 85 security guard posts to local-level posts, the replacement of three Field Service posts by three National Officer positions, and the replacement of 13 General Service and nine Field Service posts by 22 local-level posts. All those changes were consistent with the recommendations of the General Assembly.

33. It had not been possible to prepare full budget estimates for UNIFIL, UNAMSIL, UNMEE, UNTAET and MONUC. Consequently, pending submission of the detailed budgets at the fifty-sixth session, the Secretary-General was requesting bridging financing in accordance with the procedures established in resolution 49/233 A. The reasons for the inability to produce full budgets at the present time were detailed in his letter dated 22 March 2001 to the Chairman of the Advisory Committee, reproduced in annex V to the report of the Advisory Committee (A/55/874).

34. He wished to point out that, in any given year over the past several years, there had been no more than two or three missions in transition whose budgets had needed to be reviewed and adjusted more than once during the financial period. For the upcoming period, however, there would be five missions in transition for which bridging financing was needed. It was to be hoped that that would not be the case in future. The current situation served as a reminder of the unpredictable and volatile nature of peacekeeping operations. An important conclusion that could be drawn from the situation and the corresponding financial responses of the Advisory Committee and the Fifth Committee was that the budgetary mechanisms and procedures that the General Assembly had established in resolution 49/233 A had proven to be practical, flexible and durable. Indeed, that resolution had established a suitable framework for peacekeeping operations.

35. The performance report for the support account (A/55/861) showed expenditure of $38.3 million and a very small unutilized balance. The proposed budget for the period 1 July 2001 to 30 June 2002 (A/55/862) amounted to $73.6 million, including an unchanged staffing table of 562 posts. The budget had been prepared on a maintenance level, pending completion of the comprehensive review and capacity study that was currently in progress. When that study was completed, it would be submitted to the relevant legislative bodies for their review. The Secretary-General's requirement for the support account for the period 1 July 2001 to 30 June 2002 for the Department of Peacekeeping Operations and all other units affected by the support account would be submitted to the General Assembly prior to the opening of its fifty-sixth session.

36. The performance report for UNLB Brindisi (A/55/714) more or less matched the budget approved for the year 1999/2000. The proposed budget for the period 1 July 2001 to 30 June 2002 (A/55/830) was at maintenance level, pending completion of the review of the Base's concept of operations and related requirements.

37. The other reports before the Committee included the report on resident auditors (A/55/735) that had been requested by the General Assembly. In submitting that report, the Secretary-General had consulted with the Office of Internal Oversight Services, which had concurred on the substance of the report. There was a report on the participation of United Nations Volunteers in peacekeeping operations (A/55/697) and a report on UNPF (A/55/840), which included a recommendation that the General Assembly should continue temporary suspension of the provisions of Financial Regulations 4.3, 4.4 and 5.2 (d) in respect of the existing surplus of $174.7 million, in light of the chronic cash shortages of UNPF.

38. There were two reports on final disposition of assets, MIPONUH (A/55/667) and UNPREDEP (A/55/390). In the case of UNPREDEP, the Secretary-General was requesting the General Assembly to approve the donation of assets with a total inventory value of $1.7 million to the Government of the former Yugoslav Republic of Macedonia. The report in document A/C.5/55/40 and Corr.1 provided information on the progress made in 2000 in processing death and disability claims under the old and the new regimes. Pursuant to a request from the General Assembly, there was a comprehensive report on the use of the field assets control system (A/55/845), which provided information on the status of implementation and use of the system, longer-term strategy considerations and their potential related resource implications.

39. There was also a report on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment, drawn up by the post-Phase V Working Group (A/C.5/55/39). It was his understanding that the report had been transmitted to the Chairman of the Fifth Committee. The related comments of the Secretary-General were contained in document A/55/815. Part IV.C of the report of the post-Phase V Working Group related to its consideration of the current methodology underlying the calculation of standard rates of troop-cost reimbursement to troop-contributing States, including ways to produce timely and more representative data, as requested by the General Assembly in resolution 55/229. The Secretariat stood ready to assist the Fifth Committee during its deliberations on the matter.

40. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), in an introductory statement on peacekeeping operations, said that the reports of the Advisory Committee covered peacekeeping performance for the period ending 30 June 2000 and estimates for the period from 1 July 2001 to 30 June 2002. In addition, there were reports on the support account (A/55/882), on the financing of the Logistics Base in Brindisi (A/55/874/Add.8) and on rates of reimbursement to troop-contributing countries for troop costs and equipment (A/55/887). The report on the audit of peacekeeping missions for the period ended 30 June 2000 was in document A/55/878. In addition, the Advisory Committee had submitted reports on missions under liquidation covering, where appropriate, the disposition of assets. There were also reports on death and disability claims (A/55/883) and on resident auditors (A/55/828). The report in document A/55/874 contained the Advisory Committee's comments and recommendations on general subjects on the management of peacekeeping operations.

41. The general conclusion to be drawn from all the reports currently before the General Assembly was that, in comparison with the appropriations for the period ending on 30 June 2000, resources for peacekeeping operations might increase by more than 52 per cent for the period ending 30 June 2001. By the time budget estimates were finalized for the period ending 30 June 2002, the increase could reach more than 76 per cent over the level of appropriations for the period ending on 30 June 2000.

42. When the Advisory Committee had examined the reports of the Secretary-General, it had been informed that, while the General Assembly had appropriated $1,705,200 million for 1999/2000, total requirements for 2000/2001 could reach $2.6 billion. The Controller had increased that figure to $2.7 billion. The Committee had been informed that the corresponding amount for 2001/2002 could be approximately $3 billion; the Controller had increased it to $3.4 billion. Before the end of the current resumed session, a clearer picture for the current financial period would emerge

after a review of additional estimates for the Mission in the Democratic Republic of the Congo. In terms of troops, military observers and civilian police personnel, the monthly summary of personnel contributions had increased from 12,461 in March 1999 to 29,286 in March 2000 and 41,805 in March 2001. Currently the largest mission was UNAMSIL, with 17,500 authorized troop strength.

43. During the first surge in United Nations peacekeeping operations, between 1990 and 1995, many changes had been introduced at both the Secretariat and the legislative levels. Those changes had included the establishment of a separate cycle for the formulation and approval of peacekeeping budgets, including a larger commitment authority granted to the Secretary-General to enable him to react quickly to actions by the Security Council. The General Assembly had established a peacekeeping reserve fund, a support account with increased support staff at Headquarters and the Logistics Base in Brindisi. It had also approved new reimbursement procedures for military equipment.

44. The streamlined budget-preparation changes and closer coordination between the Headquarters and field operations introduced in the Secretariat had considerably improved the capacity of the Secretariat to manage peacekeeping operations. The respective Secretariat officials in the Department of Peacekeeping Operations and in the Department of Management should be commended for the considerable progress that had been achieved so far. The legislative changes introduced by the General Assembly had enabled the Advisory Committee and the Fifth Committee to examine peacekeeping budgets in a more orderly manner. The Advisory Committee had stressed the importance of ensuring that those reforms were adhered to by the Secretariat and by Member States.

45. In spite of the progress achieved, the Advisory Committee had pointed out in its reports many areas in which continuous evaluation of the adequacy and efficiency of current methods and procedures was needed. The report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) was part of that continuous evaluation.

46. The general report of the Advisory Committee (A/55/874) included comments on areas that needed further improvement. There was an urgent need to improve the capacity of the Secretariat to recruit and place civilian personnel in missions in a timely manner. The bulk of the unencumbered resources for peacekeeping operations resulted from high vacancies in civilian personnel. Although progress had been made, more improvement was required. In that regard, the Secretariat could learn from the experience of other partners in the United Nations system, including funds and programmes and the United Nations Volunteer programme. The way some of those agencies and funds and programmes compiled and managed human-resource databanks and rosters could provide useful lessons to the Secretariat. There was need for more efficiency in operational activities, especially in procurement, inventory management and use of resources approved for communication and for electronic data-processing programmes. The management of the new contingent-owned equipment procedures required considerable improvement. There was also a need for the Secretariat to assess its capacity to manage more efficiently the liquidation of missions.

47. On peacekeeping performance reports, the Advisory Committee recommended that the unencumbered balance of $175.2 million for the period ending 30 June 2000 should be credited to Member States in the manner indicated in the Committee's relevant reports. The report of the Advisory Committee on the performance report on UNTAET would be submitted to the fifty-sixth session of the General Assembly. However, the Committee recommended that a decision should be made at the current resumed session to credit Member States with the unencumbered balance of $57,989,900.

48. Performance reports showed that non-receipt of assessed contributions not only affected timely reimbursement to troop-contributing countries, but also seriously distorted the cash-flow situation of the missions concerned. For example, in view of the chronic cash shortage, the Advisory Committee had again recommended that the financial regulations should be suspended to allow the retention of $174.7 million as the unencumbered balance of appropriations for the United Nations peacekeeping forces in former Yugoslavia (A/55/886, para. 7).

49. The Advisory Committee had reviewed the budgets of seven missions totalling $799.4 million for the period from 1 July 2001 to 30 June 2002 (A/55/874, annex II A). As indicated in its relevant reports, the Committee recommended approval of the Secretary-General's estimates with minor modifications. The recommendation on UNMIK for

$400 million would be subject to review in the context of revised estimates to be submitted to the Committee during its session in February and March 2002.

50. Estimates for five missions, totalling approximately $1.6 billion (A/55/874, annex II B) would be submitted to the General Assembly at its fifty-sixth session. In the meantime, the Advisory Committee recommended resources for four missions, namely, UNIFIL, UNMEE, UNAMSIL and UNTAET, for the period from 1 July to 31 December 2001, as set out in its general report (A/55/874, para. 10).

51. The Advisory Committee would shortly take up the estimates for the mission in the Democratic Republic of the Congo for the period ending 30 June 2001. The estimates for MONUC for the period ending 30 June 2002 would be submitted to the General Assembly at its fifty-sixth session. The Advisory Committee would recommend resources for the period from 1 July to 31 December 2001 in the context of its report on the estimates for the mission for the period ending 30 June 2001.

52. The Advisory Committee recommended acceptance of the proposals of the Secretary-General on the support account to assess $75.8 million (A/55/882) and on the Logistics Base in Brindisi, $8.9 million (A/55/874/Add.8). The resources for those two items would be affected by the results of the studies currently under way to implement the recommendations in the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809), as approved by the General Assembly. In order to avoid distortions in the assessment of the support-account appropriations, the Committee had recommended in its report (A/55/882, para. 27) a refinement of the procedure used to prorate the support account assessments to peacekeeping budgets.

53. The report of the Advisory Committee in document A/55/887 contained brief comments and recommendations on the reports on reimbursement for contingent-owned equipment (A/55/815 and A/C.5/55/39). The report also included, in paragraphs 7 to 14, comments and recommendations on rates of reimbursement for troop costs. If the recommendations submitted by the post-Phase V Working Group in document A/C.5/55/39 on revised reimbursement rates for equipment were accepted by the General Assembly, the financial effect should be shown either in performance reports or in budget estimates, as pointed out in paragraph 4 of the Committee's report.

54. The Advisory Committee had examined again the subject of rates of reimbursement to troop-contributing countries for troop costs. It had noted that, while the post-Phase V Working Group had taken up the subject, no agreement had been reached on specific recommendations to the General Assembly. The Committee, after a careful review, and in order to assist Member States in their effort to reach a broad political compromise at the current stage, had decided to recommend that the General Assembly might wish to consider, as an ad hoc arrangement, an increase in the rates of reimbursement of between 4 and 6 per cent. The Committee had also recommended that consideration should be given to having recourse to a group of qualified individuals who would study and make proposals on the methodology and the elements on which it was based.

55. The effect on the unit cost for troop reimbursements was shown in the annex to the report of the Advisory Committee (A/55/887). The effect on the budgets for peacekeeping operations would be reflected either in performance reports or in budget estimates, as stated in paragraph 14 of the report.

56. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the management audit of United Nations civilian police operations (A/55/812), said that the civilian police component of United Nations peacekeeping operations had experienced significant growth over the previous two years, in both the size and scope of its activities. Authorized staffing had increased from about 2,200 to more than 8,600, and the scope of activities had shifted from monitoring functions to full law enforcement authority. The expansion and institutionalization of civilian police operations had made it vital to ensure their efficient and effective management.

57. OIOS had reviewed various aspects of civilian police operations at the United Nations peacekeeping missions in Bosnia and Herzegovina, East Timor and Kosovo, and the overall management of civilian police activities by the Department of Peacekeeping Operations. The audit had been carried out concurrently with a study conducted by the Panel on United Nations Peace Operations, and he was pleased to note that their findings had been similar.

58. OIOS had found that daily police operations were being managed satisfactorily, but that civilian police management lacked the capacity to make significant improvements in the effectiveness and efficiency of operations. Several positive accomplishments were worth noting: the integration of civilian advisors into the police commissioner's office; the establishment of the police training college in East Timor; the establishment of a joint patrol and co-location programme involving local police in Bosnia; and the development of databases for crime statistics and logistics tracking in Kosovo. OIOS had also found that civilian police had been able to overcome tense and difficult conditions in the field in support of the United Nations mandate.

59. Additional steps should nonetheless be taken to improve operational effectiveness and efficiency. A comprehensive civilian police strategy should be developed, which would establish a methodology for calculating police strength, provide for a common civilian police identity in all missions, establish performance measures and mechanisms for learning from experience, and should articulate how information technology would be used to facilitate the management of civilian police at headquarters and in the missions.

60. OIOS had also found that the structure, reporting lines and staffing strength of the civilian police unit had impaired its ability to manage operations, that staffing constraints had prevented the establishment of a policy and planning function and the development of management information systems, and that the level and reporting line of the Civilian Police Adviser limited his ability to negotiate for resources and to advise senior managers on civilian police matters.

61. It noted, as well, that the selection and recruitment criteria of missions had remained unchanged without regard for changes in the mission environments and the skills required to accomplish changing mandates. Such criteria should be revised in accordance with routine reports from mission police commissioners. In addition, it had found that the frequent rotation of senior managers had had a detrimental effect on key policing projects and alliances formed with external agencies and community leaders, and had determined that such managers should consequently be employed for longer periods. Training and developing a cadre of "United Nations certified" civilian police for rapid deployment and using selection assistance teams to train civilian police in their home countries were other possible ways of improving police performance. OIOS had also found that resources utilization needed improvement. In particular, skilled civilians or non-commissioned civilian police officers should be used for non-policing and administrative roles, in order to increase the number of officers available for policing duties.

62. Civilian police could play an active role in securing law and order within post-conflict environments, and were thus becoming central elements in peacekeeping missions. It was essential for measures to be taken to ensure that the obstacles impeding the ability of the growing numbers of civilian police to function effectively were removed. The report offered practical recommendations for overcoming such impediments and for enhancing the effectiveness of operations. OIOS was pleased that the Department of Peacekeeping Operations had, in general, accepted its recommendations, and had in some instances taken steps to implement them.

63. Introducing the Secretary-General's report on experiences learned from the use of resident auditors at peacekeeping missions (A/55/735), he said that the report had been submitted in response to General Assembly resolution 54/241, which, inter alia, had requested a report on the implications of the formula proposed by OIOS to determine the optimum number and salary level of resident auditors that should be deployed to each mission. The formula called for the establishment or addition of a resident auditor post at the P-3 or P-4 level for every $100 million of a mission's annual budgeted expenditure, and for the assignment of an auditing assistant at the G-6 or G-7 level for missions with annual budgets exceeding $200 million.

64. The Advisory Committee had endorsed the use of that formula for UNAMSIL (A/54/647) and UNTAET (A/55/531), and, accordingly, had recommended the establishment of two resident auditor posts for UNAMSIL and four for UNTAET. One of the proposed UNTAET posts was at the P-5 level, in view of the mission's nature, structure and troop strength. The current report of the Secretary-General proposed that the OIOS formula should be applied to all missions with annual budgets of over $100 million and that the resident auditor teams in UNAMSIL and UNMIK should be headed by resident auditors at the P-5 level, owing to the missions' size, structure and complexity.

65. Should the OIOS formula be applied to all peacekeeping missions, the total number of resident auditor posts would increase from 13 to 18 and the number of auditing assistant posts would increase from 3 to 4. However, OIOS would deploy resident auditors only after conducting a detailed risk assessment of each mission to determine the optimum number of auditors actually required.

66. In its report (A/55/828), the Advisory Committee had requested the Board of Auditors to review the adequacy of the resident audit function in the missions it audited. OIOS would cooperate fully with those reviews. It agreed with the Advisory Committee that prior United Nations auditing experience should not necessarily be a prerequisite for the selection of resident auditors. Some of the Office's resident auditors had had no prior United Nations experience, but had been able to adapt to the Organization's needs as a result of their extensive auditing background, the orientation provided at Headquarters and their on-the-job experience in missions.

67. The OIOS formula was a useful guide for determining the number and level of resident auditors needed to provide adequate internal audit coverage in large peacekeeping missions. He hoped that the Committee would endorse the findings and conclusions of the Secretary-General's report.

68. **Mr. Norström** (Sweden), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia, said that the commitment of the European Union and associated countries to peacekeeping was illustrated by their contributions of troops, civilian police and other personnel to peacekeeping missions, their contribution to the training of peacekeeping personnel and their large and recently increased share of the financing of peacekeeping operations, which currently represented over 40 per cent of the peacekeeping budget. The capacity of the Organization, and particularly of the Department of Peacekeeping Operations, to plan, deploy and manage peacekeeping operations must be strengthened, and the new components of those operations, such as institution-building, human rights and the rights of children in armed conflicts, should be taken into account.

69. The European Union noted that the budgets for four of the largest missions would be submitted to the General Assembly at its fifty-sixth session. The European Union underlined the importance of adhering to normal peacekeeping budget cycles, and requested further clarification from the Secretariat in that regard. In view of the trend towards higher expenditure on peacekeeping, precise forecasting was crucial so that Member States could plan resource requirements at an early stage. The European Union therefore hoped that, at the current part of the resumed session, the Secretariat would give Member States an outline of trends in expected peacekeeping expenditure beyond the following fiscal year. At the same time, it was willing to accept the Secretary-General's proposed bridging actions for the missions in question, as outlined in paragraph 10 of the Advisory Committee's report (A/55/874).

70. The European Union agreed with the Advisory Committee's conclusion (A/55/874, para. 30) that an effective procedure was needed for ascertaining the capacity of troop contributors to meet the requirements of wet-lease and self-sustainment provisions when that option formed part of contingent-owned equipment arrangements. Some countries were having difficulty in that regard, and a remedy for the situation must be sought. In addition, the European Union agreed with the Advisory Committee (para. 42) that the Secretariat should consider ways of making greater use of United Nations Volunteers in peacekeeping operations, especially in substantive areas. The roster system used by the United Nations Volunteers could serve as a useful model for the Secretariat. With respect to procurement and inventory management, lack of procurement planning and inadequate staff training were causes of concern. The use of the field assets control system in all peacekeeping missions should result in better control of United Nations property.

71. The European Union endorsed the Secretary-General's recommendations on the support account budget for the period from 1 July 2001 to 30 June 2002 (A/55/862), in the light of the General Assembly's decision to fund, through the support account, 93 additional posts in the Department of Peacekeeping Operations and related non-post requirements for the first six months of 2001. The European Union shared the Advisory Committee's view (A/55/882, para. 10) that urgent measures were needed to speed up the recruitment process so as to fill the new posts as

quickly as possible. The allocation of additional space to that Department should be considered on a priority basis. The European Union also shared the Advisory Committee's concern (para. 15) about the deterioration of the Secretariat's capacity to handle current liquidation and to eliminate backlogs in areas such as claims and information and personnel management services. It supported the Advisory Committee's proposal (para. 27) that the most realistic prospective level of resources should be used in prorating resources among missions for which commitment authority had been granted.

72. Increasing demands were being placed on the United Nations Logistics Base at Brindisi, which played an important role by maintaining start-up kits in a state of readiness, by functioning as a communications hub for peacekeeping missions worldwide and by serving as a training centre for peacekeeping personnel. The European Union concurred with the Advisory Committee's observations and recommendations, particularly those contained in paragraph 11 of its report (A/55/874/Add.8), and looked forward to the forthcoming review of the potential expansion of the Base's role.

73. Many improvements had been made in the management of peacekeeping operations, particularly in areas where the Board of Auditors had drawn attention to the need for adherence to regulations and rules. The late issuance of the Board's report was therefore regrettable. It would be useful for each mission to set its own objectives in relation to its administration. Those objectives could then be reported on in each budget submission. The objectives could either be derived from objectives set at Headquarters in response to the Board's recommendations, such as in the area of standardizing assets, or be set individually by each mission, such as in the areas of contingent-owned equipment verification, award of contracts, reporting on vendor performance or managing the field assets control system. Missions could also report on how vacancies affected the attainment of their objectives.

74. **Mr. Assaf** (Lebanon) said that, since the Secretary-General's report on the financing of UNIFIL had not yet been issued, he would like to know what arrangements would be made to fund that mission for the next financial period. He also asked whether the Committee would adopt a draft resolution on the financing of UNIFIL at the current part of the resumed session.

75. **Mr. Yeo** (Director of the Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts) said that, pursuant to the practice established by General Assembly resolution 49/233 A, commitment authority had been requested in respect of UNIFIL, UNAMSIL, UNTAET and UNMEE for resources equivalent to about half of the current approved levels for those missions to cover resource requirements for the last six months of 2001. That would give the Secretariat time to prepare detailed budget proposals for submission to the Assembly at the main part of its fifty-sixth session, and would enable the Secretariat to take prospective developments into account in preparing the proposals.

76. **The Chairman** said that, at the current part of the resumed session, the Committee would adopt a draft resolution on the financing of UNIFIL for the last six months of 2001.

77. **Mr. Nakkari** (Syrian Arab Republic) said that he shared the views expressed by the representative of the Islamic Republic of Iran, speaking on behalf of the Group of 77 and China, with respect to the organization of the Committee's work. His delegation would make a statement on the financing of UNDOF at the Committee's next meeting on the subject, and he hoped that a representative of the Advisory Committee would be present during the discussion on that item to help shed light on the points which the Syrian delegation intended to raise.

78. The Controller, in introducing the Secretary-General's reports on the financing of a number of peacekeeping operations, had mentioned that the Secretariat was proposing the conversion of some General Service posts to local-level posts as a cost-cutting measure. His delegation would like further clarification of that proposal.

79. With respect to missions for which budgets had not been submitted because of recent and prospective developments that could affect their mandates, including UNIFIL, he would have preferred to receive a formal report on all relevant issues, such as vacancies and financial needs, instead of a request to approve temporary funding for an interim period of six months.

80. He reiterated the request, which his delegation had made repeatedly during the fifty-fifth session, for

information on any tangible measures taken by Israel to provide compensation for the bombing of the refugee centre at Qana.

81. He noted the importance which the Advisory Committee attached to the need for greater mobility of peacekeeping personnel and to the consideration of the impact of mobility and mission loans (A/55/874, paras. 34 and 35). In that connection, the Committee should not take a definitive position on the use of United Nations Volunteers in peacekeeping operations until it had considered the issue in greater depth. With respect to the information concerning UNIFIL contained in paragraph 1 of the appendix to the Advisory Committee's report (A/55/874), he noted that the Security Council had decided to consider any steps it deemed appropriate regarding UNIFIL and UNTSO on the basis of a detailed report to be submitted by the Secretary-General by 30 April 2001. He recalled that UNTSO, unlike peacekeeping operations, was financed on the basis of the budget resolution adopted by the General Assembly every two years.

82. **Mr. Gruzdev** (Russian Federation) said that the primary aim of UNMIK was to ensure the full implementation of Security Council resolution 1244 (1999). The mission was to provide transitional administration while overseeing the development of provisional democratic self-governing institutions. Its activities were based on four pillars: civil administration, humanitarian assistance, institution-building and economic reconstruction. His delegation approached the issue of the mission's financing with a view to ensuring its success and the effectiveness of its work in those four areas.

83. The proposed budget for UNMIK for the period from 1 July 2001 to 30 June 2002 amounted to $448 million, which represented a small (0.2 per cent) decrease in total resources in relation to the apportionment for the current period. His delegation understood that the Secretariat intended to submit a revised budget estimate based on the priorities for the coming months, as identified by the new Special Representative of the Secretary-General, and on the timing and budgetary implications of the forthcoming Kosovo-wide elections.

84. The Advisory Committee's indication that the arrival of a new Special Representative should not automatically lead to a complete revision of the level of appropriations was logical, since the mission's mandate and principal tasks remained unchanged. With respect to the forthcoming elections, the necessary security conditions must be provided to guarantee the genuinely democratic expression of the will of all ethnic communities in Kosovo and a stable process of return of refugees and displaced persons. Careful preparations must therefore be made for those elections; otherwise, the elections would be neither representative nor just, and the resources allocated for that purpose would be wasted.

85. Even taking into account the forthcoming elections, every effort should be made to keep the mission's resource requirements within the total initial estimate. His delegation supported the Advisory Committee's observations and recommendations on the mission's cost estimates, in particular the recommendation that the appropriation should be limited to $400 million, and the comments on administrative problems with the mission's financing and practical functioning. In the informal consultations to be held on the issue, his delegation hoped to receive additional clarifications from the Secretariat on the proposed travel costs of the mission, which seemed excessive in view of the availability of modern telecommunications.

86. **The Chairman** said that a discussion of those items would resume at the next meeting. He invited the Controller to reply to questions raised.

87. **Mr. Halbwachs** (Controller), replying to questions raised by the Syrian Arab Republic, said that, at the urging of the Administrative Committee on Coordination, the General Assembly had recommended that, wherever possible, posts should be converted to local status. The current budgets made that proposal in two instances in the case of eight General Service posts at UNIKOM, and 13 General Service posts at UNMIBH. He would be glad to elaborate during the informals. No such proposal had been made for UNDOF; although the establishment of two new local posts had been included in the budget of that mission; the details appeared in the report of UNDOF (A/55/778).

88. A full budget had not been provided for UNIFIL, because in January the Security Council had extended the mandate of that mission only through July 2001, and had decided to restore it to its previous strength by the same date. It had also decided to review and consider the future of the mission, and to discuss

whether to extend the mandate through December 2001. In the light of the uncertainty, it had been considered best not to circulate a report on UNIFIL for the period in question. A formal decision would have to be made; at that time the Committee would consider related budgetary questions.

89. He took note of the question raised by the Russian Federation regarding UNMIK, and would address that matter as well during the informal discussions.

90. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation had also inquired whether Israel had paid compensation for the bombing of the refugee centre in Qana.

91. **Mr. Halbwachs** (Controller) said that no money had been received from Israel in that regard.

92. **Mr. Assaf** (Lebanon) said that his delegation would like the next draft resolution on financing to include a paragraph regarding Israel's failure to pay the costs arising from that incident.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*) (A/55/798 and Add.1)

93. **Mr. Mezzalama** (Joint Inspection Unit (JIU)), introducing the report on young professionals in selected organizations of the United Nations system: recruitment, management and retention (JIU/REP/2000/7), circulated in document A/55/798, said that it had resulted from an extensive review of documentation and statistics, and from close consultations and exchanges of views with the nine organizations, agencies, funds and programmes that had a critical mass of more than 2,000 members of staff. The Inspectors had reviewed the comments made by the Administrative Committee on Coordination (ACC), in document A/55/798/Add.1, and had noted a wide convergence of views on the issues covered by the report. They concurred, in particular, with the introductory remarks, which stressed that the international civil service was now operating in a completely different world, one in which the United Nations organizations faced stiffening competition from other global employers. In consideration of the modern information and communication technologies and the insistence by Member States on the efficient use of resources, it was imperative for those organizations to rejuvenate their workforces and re-engineer the management of their human resources.

94. The hiring of young qualified staff to replace retiring staff, and the retention of the best of the young recruits was not, however, guaranteed. The Secretary-General had noted that there were currently more resignations than retirements, mostly at the P-2 and P-3 levels. The report emphasized that the ability of the system to attract and retain applicants with the right skills was the crucial issue.

95. Since the preparation of the report had been hampered by a lack of statistics on separation of Professional staff by type of separation and by grade, JIU recommended that such additional information and data should be made available to ACC. It was important to monitor trends so as to ensure that the United Nations system could develop and retain promising staff to succeed the current leadership. The recommendations stressed the need to reduce the age of recruitment and to review the adequacy of the age limits imposed for the National Competitive Recruitment Examination (NCRE), to speed up the recruitment processes, to focus on the need to accelerate the placement of candidates who had placed well in the examination, and for Member States to cooperate effectively in the organization of the examination, particularly in its publicity.

96. The report also demonstrated that insufficient structures for the integration, orientation and development of new staff restricted the ability of such staff to make significant contributions to the United Nations organizations, leading to their disenchantment. Furthermore, since civil services could not compete effectively with the private sector in the conditions of service they could offer to staff, job satisfaction was essential in keeping staff motivated and interested. The report's recommendations also called for the establishment of structures and mechanisms to ensure the integration, development and mobility of young professionals, including opportunities to pursue studies and research in fields of relevance to their work, through study-leave programmes and part-time schemes; in that regard, the comments by ACC regarding recommendation 7 might be misleading, since there was no suggestion that junior professionals should be given priority over other staff members. The report aimed to remove seniority requirements for

external training programmes, and to highlight the need to encourage the acquisition of knowledge. JIU welcomed, however, the support of ACC for the development of a common system orientation training programme through the United Nations Staff College.

97. Lastly, the JIU report expressed regret that too few measures had been implemented to foster a work environment that would further the goals of the "work/family agenda", adopted by the United Nations common system in 1995. JIU welcomed steps taken since the issuance of its report, including the worldwide survey on work and life issues, efforts to extend the Participating Agencies Mobility System (PAMS) and the adoption by the World Health Organization of a provision for paternity leave, on a trial basis. Much, however, remained to be done. The final recommendation listed steps that should be taken to remedy the lack of spouse employment, a major cause of resignations.

98. In conclusion, he said the system as a whole was becoming increasingly aware of the need for innovative approaches to recruitment, competence nurturing, staff development, conditions of service and staff motivation. Member States should encourage and monitor the ongoing process of promoting the retention of young professionals, one of the Organization's best assets.

99. **Ms. Salim** (Assistant Secretary-General for Human Resources Management), introducing the note by the Secretary-General (A/55/798/Add.1) on the report of JIU on young professionals in selected organizations of the United Nations system: recruitment, management and retention (A/55/798), said that, since the report covered a number of organizations in the United Nations system, the comments submitted by the Secretary-General were those of ACC. The Secretary-General highly appreciated the work of JIU concerning young professionals, a major focus of his human resources management reform programme. It was, however, as ACC had pointed out, important to recognize that the various organizations had different mandates, structures, and workforce sizes, and that therefore there was no single ideal approach for all. Requirements and strategies must be matched to the programme needs of each organization.

100. All organizations were increasingly aware that effective recruitment, management and retention of staff were the cornerstone to improved organizational performance, which touched on such areas as competency-based selection, training and development, compensation, career management and the "work/family agenda". Innovative approaches were being explored throughout the system, and the sharing of best practices was proving useful. In respect of the United Nations, the Secretary-General had emphasized the need to rejuvenate the Organization, to promote the careers of staff with ability and potential, to bring in needed skills, and to improve geographical and gender representation. He welcomed the recommendations of JIU concerning recruitment and development of young professionals.

101. He also welcomed the comments concerning the National Competitive Recruitment Examination (NCRE), a confidential process which had proven to be cost-competitive, had improved geographical and gender balance, and had had a positive impact on the quality of recruits. The Secretary-General was taking steps to address areas of concern, including the need to streamline the examination process and to speed up the placement of candidates on the roster. His reform programme specifically focused on broadening career development opportunities for junior professional staff, including special orientation and development programmes and a managed reassignment programme for P-2 staff to promote mobility and support growth.

102. One concern was worth mentioning. The report noted that between 1 July 1998 and 30 June 1999, a third of the 113 resignations of Professional staff had been at the P-2 level. And yet, the large majority of those staff had been on fixed-term contracts or appointments of limited duration. The number of P-2 staff holding NCRE positions that had resigned was only 6; resignations of such staff had in fact declined in recent years. The Secretary-General welcomed the emphasis in the report on the "work/family agenda" and on spouse employment, and was actively pursuing ways to facilitate the latter in all duty stations. The recommendations of JIU would reinforce his efforts in that regard.

The meeting rose at 6 p.m.